

Message Text

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ORIGIN EA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-01

INR-05 NSAE-00 RSC-01 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-01

CEA-01 AGR-05 SWF-01 DODE-00 PA-01 USIA-06 PRS-01

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DRAFTED BY EA/PHL:RTWILLNER:KAD

APPROVED BY EA/PHL:DCCUTHELL

EA:LEDMOND

EB/FTD:AJWILLIAM

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R 140017Z DEC 74

FM SECSTATE WASHDC

TO AMEMBASSY MANILA

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E.O. 11652: GDS

TAGS: ETRD, RP

SUBJECT: COTTON CONTRACTS

REF: A. MANILA 14264

B. STATE 268715

1. COTTON TRADE HAS AGAIN APPROACHED DEPARTMENT REGARDING OVERDUE COTTON CONTRACTS, INDICATING CONSIDERABLY INCREASED ANXIETY REGARDING PROSPECTS FOR COMPLIANCE BY PHILIPPINE PURCHASERS. TRADE REPORTS THAT AS OF NOVEMBER 30, OUT OF 111,200 BALES UNDER CONTRACT BY PHILIPPINE BUYERS, LETTERS OF CREDIT WERE OVERDUE ON 59,555 BALES, OR OVER 53 PERCENT. THIS IS HIGHEST PERCENTAGE OF OVERDUE L/CS AMONG FOUR EA COUNTRIES WHERE PROBLEM IS CURRENT.

2. ALTHOUGH TRADE AWARE THAT CCC CREDITS HAVE ONLY RECENTLY BEEN DISTRIBUTED, THEY INFORMED THAT TWO OF THE

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LARGEST COMPANIES (LIRAG AND YUPANGCO) WITH ABOUT 20,000

BALES OUTSTANDING HAVE STATED THEY DO NOT INTEND TO USE SUCH CREDITS, RAISING SERIOUS DOUBTS REGARDING THEIR INTENTIONS.

3. TRADE ALSO REPORTS THEY UNDERSTAND AT LEAST ONE GOP OFFICIAL HAS INDICATED THAT THERE HAVE BEEN NO SIGNIFICANT PRESSURES FROM U.S. GOVERNMENT ON THIS ISSUE AND THAT BARRING SUCH PRESSURES DEFINITIVE ACTIONS ARE NOT TOO LIKELY.

4. REQUEST EMBASSY APPROACH PHILIPPINE GOVERNMENT AT APPROPRIATELY HIGH LEVELS TO EXPRESS CONTINUED CONCERN OF USG NOTING INFORMATION CITED ABOVE AS APPROPRIATE, AND ADVISE URGENTLY RE ACTION TAKEN BY EMBASSY AND GOP.

KISSINGER

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Message Attributes

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Current Classification: UNCLASSIFIED
Concepts: COTTON, EXPORTS, CONTRACTS
Control Number: n/a
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Draft Date: 14 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
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Disposition Remarks:
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Drafter: RTWILLNER:KAD
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30 JUN 2005

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Review Transfer Date:
Review Withdrawn Fields: n/a
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